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September 24, 2002

OF COUNSEL WILLIAM G. CONLY

Honorable James H. Welsh Commissioner of Conservation State of Louisiana Post Office Box 44275 Baton Rouge, Louisiana 70804-4275

Re: <u>APPLICATION FOR PUBLIC HEARING.</u>

Hosston Formation, Reservoir A, and Cotton Valley Formation, Reservoir A, KINGSTON FIELD, DeSoto Parish, Louisiana.

Dear Sir:

EL PASO PRODUCTION COMPANY ("Applicant") hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Hosston Formation, Reservoir A, and to the Cotton Valley Formation, Reservoir A, in the Kingston Field, DeSoto Parish, Louisiana:

- 1. To authorize Applicant to drill, designate and utilize an alternate unit well for HOSS RA SUL and for CV RA SUL at the location shown on the attached plats.
- 2. To find that the proposed alternate unit well is necessary to efficiently and economically drain a portion of the Hosston Formation, Reservoir A, underlying HOSS RA SUL, and a portion of the Cotton Valley Formation, Reservoir A, underlying CV RA SUL, which cannot be efficiently and economically drained by any existing well on these units.
- 3. To permit the Operator of HOSS RA SUL and of CV RA SUL to produce the allowables assigned to these units from either the unit well, the alternate unit well, or from a combination of such wells, at the option of the Operator.
- 4. To permit Applicant to combine downhole production from the Hosston Formation, Reservoir A, with production from the Cotton Valley Formation, Reservoir A, in the proposed alternate unit well and in existing and future wells drilled on these units.
- 5. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Hosston Formation, Reservoir A, in Kingston Field, DeSoto Parish, Louisiana, was defined in Office of Conservation Order No. 376-B, effective May 2, 1978. The Cotton Valley Formation, Reservoir A, in Kingston Field, DeSoto Parish, Louisiana, was defined in Office of Conservation Order No. 376-C, effective May 2, 1978.

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Pertinent data concerning this application is available for inspection at the offices of Louis Gilbert & Associates, Inc., 3636 North Causeway Boulevard, Suite 204, New Orleans, Louisiana 70002-7216. Any person wishing to inspect such data should call Mr. Louis Gilbert at (504) 834-8112 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter and of the two (2) attached plats is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties, as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Kingston Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

very truly,

A check payable to the Office of Conservation and covering the application fee is

enclosed.

David L. Smelley

Attorney for El Paso Production Company

DLS:dp Enclosures

cc:

Mr. Jim Broussard (w/encls.)

Mr. Julian Chahin (w/encls.)

Mr. Paul Eschete (w/encls.)

Ms. Shirley Galik (w/encls.)

Mr. Louis Gilbert (w/encls.)

Interested Owners, Represented

Parties and Interested Parties (w/plats only)



